

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re

LEXINGTON PRECISION CORPORATION

Debtors.

Case No. 08-11153 (MG)

Chapter 11

Jointly Administrated

-----X

**NOTICE OF PROCESS OILS, INC.'S RECLAMATION DEMAND
AND REQUEST FOR ADMINISTRATIVE EXPENSE PAYMENT**

PROCESS OILS, INC., ("Process Oils") by it undersigned counsel, hereby files the following Notice of Demand for Reclamation, and Request for Administrative Expense Payment (the "Notice") and respectfully states as follows:

1. On April 1, 2008 (the "Petition Date"), Lexington Precision Corporation and Lexington Rubber Group, Inc., (collectively "Lexington") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §101 *et. seq.* (the "Code"). The Office of the U.S. Trustee has been appointed U.S. Trustee.

2. Prior to the Petition Date, Process Oils provided and shipped to Lexington Insulators, a d/b/a of Lexington Rubber Group, Inc., at 1076 Ridgewood Road, Jasper, Georgia 30143-1366, quantities of Procoil 950, which product was, upon business records received, accepted by Lexington Insulators. Process Oils provided certain quantities of this product to Lexington within 45 days of the Petition Date.

3. Process Oils hereby reiterates its previous demand (Exhibit 'A') to Lexington for reclamation or payment pursuant to §546(c) and §503(b)(9) of the Code and §2-207 of the Uniform Commercial Code.¹

4. Pursuant to §546(c) of the Code, a seller may make written demand for reclamation of the goods before 45 days after receipt by the Debtor, or if the 45 day period expires after the commencement of the case, within 20 days after the Debtor's Petition Date. 11 U.S.C. §546(c)(1). In addition to the reclamation claim a seller is entitled to a priority administrative expense claim for the value of goods sold in the ordinary course of the Debtor's business and received by the Debtor within 20 days preceding the Petition Date. *See* 11 U.S.C. §546(c)(2)(A) and (B); 11 U.S.C. §503(b) and §507(a)(2).

5. Process Oils makes demand for reclamation for the Procoil 950 product delivered to Lexington Insulators, an itemization of which is set forth on Exhibit 'A' attached hereto and for the allowance and payment of an administrative expense.

6. The above referenced products were sold to Lexington in the ordinary course of Process Oils' business. Furthermore, upon information and belief, Lexington was insolvent when the products were sold and received.

7. As evidenced by Exhibit 'A', Process Oils originally served reclamation demands upon the Debtor via facsimile, first class mail and certified mail- return receipt requested on April 4, 2008.

¹ Nothing herein shall be construed or deemed to limit or otherwise preclude Process Oils' right to assert any and all rights under any and all applicable federal, state or foreign statutes or rules regarding the goods subject to this Notice. Process Oils hereby especially reserves any and all such rights.

8. WHEREFORE, Process Oils demands reclamation of its Procoil 950 product and requests an order establishing an administrative expense priority claim in its favor for the total sales amount of the products found to be within 11 U.S.C. §546(c) and 11 U.S.C. §503(b)(9). In addition, Process Oils requests such other and further relief as this Court deems just and equitable.

Dated: April 15, 2008.
Houston, Texas

WILLIAM F. HARMEYER & ASSOCIATES, P.C.

/s/William F. Harmeyer

William F. Harmeyer
Texas State Bar No. 09019000
Federal I.D. No. 149
7322 Southwest Freeway, Suite 475
Houston, Texas 77074
Tel: (713) 270-5552
Fax: (713) 270-7128
Attorney for Creditor,
PROCESS OILS, INC.

CERTIFICATE OF SERVICE

On April 15, 2008, I hereby certify that a true and correct copy of the foregoing Notice Of Process Oils, Inc.'s Reclamation Demand and Request for Administrative Expense Payment, has been served by electronic mail to:

Richard P. Krasnow, Esq.
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Via Email: richard.krasnow@weil.com
Attorney for Debtors

Aaron R. Cahn - cahn@clm.com

Gayle Ehrlich – gehrlich@sandw.com, ccarlson@sandw.com

Richard L. Ferrell – Ferrell@taftlaw.com

Jonathan Levine – jlevine@andrewskurth.com, jlevine@akllp.com

Raymond Patella – patella@blankrome.com

and by U.S. mail to:

Paul Kenan Schwartzberg
Office of the United States Trustee
33 Whitehall Street
21st Floor
New York, NY 10004.

/s/William F. Harmeyer
William F. Harmeyer